PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF NUNAVUT

FOR THE YEAR ENDED MARCH 31, 2012

HONOURABLE KEITH PETERSON

Minister of Finance

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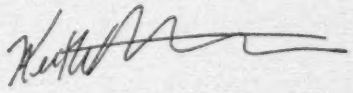
THE HONOURABLE EDNA ELIAS
COMMISSIONER OF NUNAVUT

I have the honour to present the Public Accounts of Nunavut for the fiscal year ended March 31, 2012. I would ask that these accounts be laid before the Legislative Assembly in accordance with the *Financial Administration Act*, R.S.N.W.T. 1988, c.F-4, S. 74 as amended, and duplicated for Nunavut, and the *Nunavut Act*, S.C. 1993, C.28, s.44.



The Honourable Keith Peterson
Minister of Finance

Government of Nunavut
Iqaluit, Nunavut

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GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
March 31, 2012

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SECTION I

CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of these consolidated financial statements for the Government of Nunavut, and related information contained in the Public Accounts, is the responsibility of management through the Department of Finance.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for governments recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. When GAAP permits alternative accounting methods, management has chosen those it believes are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these consolidated financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Department of Finance, by maintaining systems of financial management and internal control. These systems are continually enhanced and modified to provide accurate information, to safeguard and control the Government's assets, and to ensure that all transactions are in accordance with the *Financial Administration Act*.

The Public Accounts are referred to the Standing Committee on Oversight of Government Operations and Public Accounts after they have been tabled in the Legislative Assembly. The recommendations of this Committee will be reviewed and acted upon, where appropriate, to improve financial management, financial reporting practices and the systems of internal control.

The Auditor General of Canada conducts an annual audit of the consolidated financial statements in order to express an opinion as to whether the statements present fairly, in all material respects, the financial position, results of operations and accumulated surplus, change in net debt and cash flow for the year. During the course of the audit, he also examines transactions that have come to his notice, to ensure that they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation. The Auditor General's opinion is included with the consolidated financial statements.

Chris D'Arcy
Deputy Minister of Finance

Jeff Chown, CA
Comptroller General

December 7, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Nunavut

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Government of Nunavut, which comprise the consolidated statement of financial position as at 31 March 2012, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net debt and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

.../2

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Government of Nunavut as at 31 March 2012, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

In my opinion, the transactions of the Government of Nunavut and those organizations listed in Note 1 to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government of Nunavut's powers under the *Nunavut Act*, the *Financial Administration Act* of Nunavut and regulations and the specific operating authorities disclosed in Note 1 to the consolidated financial statements.

Michael Ferguson, FCA
Auditor General of Canada

7 December 2012
Ottawa, Canada

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Financial Position
as at March 31, 2012
(in thousands of dollars)

	2012	2011 (Restated - Note 3)
Financial assets		
Cash and cash equivalents (Note 4)	325,700	271,884
Portfolio and other investments (Note 5)	14,432	13,571
Due from the Government of Canada (Note 6(a))	74,981	82,872
Other revenues receivable (Note 6(b))	84,417	72,241
Inventories for resale (Note 7(a))	122,810	109,398
Loans receivable (Note 8)	12,765	15,009
Total financial assets	635,105	564,975
Liabilities		
Accounts payable and accrued liabilities (Note 9)	280,892	279,920
Pension liabilities (Note 10(a))	6,828	6,158
Other employee future benefits (Note 10(b))	24,709	24,632
Long term debt (Note 11)	99,934	88,057
Capital lease obligations (Note 12)	79,609	88,942
Deferred revenue and capital contributions (Note 13)	362,339	353,014
Total liabilities	854,311	840,723
Net debt	(219,206)	(275,748)
Non-financial assets		
Tangible capital assets (Schedule B)	1,780,859	1,733,172
Inventories for use (Note 7(b))	20,503	16,511
Prepaid expenses (Note 20)	2,922	13,950
Total non-financial assets	1,804,284	1,763,633
Accumulated surplus	1,585,078	1,487,885

Contractual obligations (Note 15)
Contingencies (Note 16)

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Operations and Accumulated Surplus
for the year ended March 31, 2012
(in thousands of dollars)

	2012 Budget	2012 Actual	2011 Actual (Restated - Note 3)
Revenues (Schedule A)			
From the Government of Canada	1,384,500	1,399,163	1,319,639
Revenues generated by the Government of Nunavut	290,000	361,511	322,041
Total revenues	1,674,500	1,760,674	1,641,680
Expenses (Note 14)			
Community and Government Services	390,000	398,830	344,271
Health and Social Services	370,000	378,968	360,518
Education	279,000	274,487	261,176
Housing	249,000	225,666	218,808
Finance (Note 1)	139,000	110,199	108,311
Economic Development and Transportation	82,500	80,002	78,570
Justice	63,000	88,535	83,570
Culture, Language, Elders and Youth	44,000	27,346	22,904
Environment	26,000	28,027	25,997
Human Resources	24,000	17,831	19,425
Executive and Intergovernmental Affairs	23,000	17,331	16,498
Legislative Assembly	18,000	16,259	16,260
Total expenses	1,707,500	1,663,481	1,556,308
Surplus (deficit) for year	(33,000)	97,193	85,372
Accumulated surplus, beginning of year	1,487,885	1,487,885	1,402,513
Accumulated surplus, end of year	1,454,885	1,585,078	1,487,885

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Change in Net Debt
for the year ended March 31, 2012
(in thousands of dollars)

	2012 Budget	2012 Actual	2011 Actual (Restated - Note 3)
Surplus (deficit) for year	(33,000)	97,193	85,372
Tangible capital assets (Schedule B)			
Additions	(189,000)	(146,077)	(235,837)
Disposals	-	2,661	1,947
Amortization	93,500	95,729	85,572
	(95,500)	(47,687)	(148,318)
Net use (additions) of inventories for use	(1,000)	(3,992)	(4,204)
Net use (additions) of prepaid expenses	-	11,028	(10,162)
	(1,000)	7,036	(14,366)
Decrease (increase) in net debt	(129,500)	56,542	(77,312)
Net debt, beginning of year	(275,748)	(275,748)	(198,436)
Net debt, end of year	(405,248)	(219,206)	(275,748)

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Cash Flow
for the year ended March 31, 2012
(in thousands of dollars)

	2012	2011 (Restated - Note 3)
Cash provided by (used for) operating activities:		
Transfers from the Government of Canada	1,420,842	1,417,252
Taxes	77,259	72,772
Other government revenues	279,028	205,571
Interest payments on long term debt	(5,844)	(5,562)
Interest payments on capital leases	(6,043)	(6,707)
Compensation and employee benefits	(499,954)	(473,171)
Grants and contributions	(209,559)	(164,654)
Goods and services	(865,001)	(784,892)
	190,728	260,609
Cash provided by (used for) capital activities:		
Tangible capital asset acquisitions	(143,806)	(236,303)
Tangible capital asset disposals	2,612	491
	(141,194)	(235,812)
Cash provided by (used for) investing activities:		
Loans to municipalities, businesses and individuals	(2,561)	(4,335)
Loan repayments received	5,738	6,270
Portfolio and other investment acquisitions	(877)	(531)
Portfolio and other investment disposals	16	2,396
	2,316	3,800
Cash provided by (used for) financing activities:		
New borrowings on long term debt	17,800	8,000
Principal payments on capital leases	(9,401)	(8,867)
Principal payments on long term debt	(6,433)	(6,061)
	1,966	(6,928)
Increase in cash and cash equivalents	53,816	21,669
Cash and cash equivalents, beginning of year	271,884	250,215
Cash and cash equivalents, end of year (Note 4)	325,700	271,884

The accompanying notes and schedules are an integral part of these consolidated financial statements.

1 AUTHORITY AND OPERATIONS

Authority and reporting entity

The Government of Nunavut (the Government) operates under the authority of the *Nunavut Act* (Canada). The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

These consolidated financial statements are prepared to meet the financial reporting requirements in the *Nunavut Act* (Canada) and the *Financial Administration Act* (Nunavut). The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible.

The reporting entity of the Government of Nunavut includes all departments, agencies, corporations, organizations, and funds, which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that meet the definitions in the *Financial Administration Act* for departments, revolving funds, territorial corporations or other public agencies are included in the reporting entity (except for the Workers' Safety and Compensation Commission). The financial activities of all these entities are consolidated in these financial statements.

The following organizations comprise the reporting entity represented by these consolidated financial statements. Unless indicated otherwise they have March 31 year ends. These organizations are accountable to and are controlled by the Government.

	Authority for Operations
Consolidated Revenue Fund, including those departments and public agencies set out in the Government's Main Estimates	*Financial Administration Act*
Revolving Funds	*Revolving Funds Act*
Liquor Revolving Fund	
Petroleum Products Revolving Fund	
Public Stores Revolving Fund	
Student Loan Fund	
Territorial Corporations	
Nunavut Arctic College *(June 30)*	*Public Colleges Act*
Nunavut Business Credit Corporation	*Nunavut Business Credit Corporation Act*
Nunavut Development Corporation (including subsidiaries)	*Nunavut Development Corporation Act*
Nunavut Housing Corporation (including subsidiaries)	*Nunavut Housing Corporation Act*
Qulliq Energy Corporation	*Qulliq Energy Corporation Act*
District Education Authorities *(June 30)*	*Education Act*

All entities included in the reporting entity are fully consolidated on a line-by-line basis. Significant transactions and balances between consolidated entities are eliminated.

For segmented disclosure reporting purposes, summary information has been provided based on the accountability and control relationships between the Government and the various organizations within the reporting entity using categorization or groupings of organizations noted above.

Budget

Generally accepted accounting principles (GAAP) for the public sector in Canada requires a government to present in its financial statements a comparison of the results of operations and changes in net financial assets (debt) for the period with those originally planned.

The Government's annual budget presented to the Legislative Assembly is not prepared on a consolidated basis. As a result, the budget figures included in these consolidated financial statements are based on the summary totals provided on pages x through xiii of the 2011-2012 Main Estimates and the approved annual budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses as well as significant accounting policy differences. Where necessary, assumptions were used to estimate the inter-entity eliminations and accounting policy adjustments required. There was an $89,000 provision for centrally estimated 'Supplementary Requirements' included in the 2011-2012 Main Estimates, $20,000 of which was designated for 'Extraordinary/Unforeseen Events'. For purposes of consolidated budget disclosure in these consolidated financial statements that provision has been included in the Finance expense budget.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Financial statements

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) as required by Section 45 of the *Nunavut Act*. Accordingly, the Government has adopted the recommendations of the PSAB as the primary basis of its accounting policies.

(b) Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with GAAP requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to employee future benefits, environmental liabilities, contingencies, revenue accruals, amortization expenses and valuation allowances on loans and other receivables.

(c) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash. Short term investments are recorded at the lower of cost or market value.

(d) Portfolio investments

Portfolio investments are long term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost method. Such investments are normally in shares or bonds of the investee. Where there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss, which is included as a component of investment income, which is part of other revenues within revenues generated by the Government of Nunavut. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(e) Inventories

Inventories for resale include bulk fuel, liquor products and finished goods. Bulk fuel and finished goods are valued at the lower of weighted average cost or net realizable value. Liquor products are valued at the lower of cost or net realizable value on a first-in, first-out basis.

Inventories for use include fuel, supplies and lubricants, health and medical supplies, and raw materials and work in progress. Fuel inventory is valued at the lower of cost or replacement cost, with the cost being determined on a weighted average basis. Supplies and lubricants, health and medical supplies, as well as raw materials and work-in-progress inventory items are valued at the lower of cost or replacement costs, with the cost being determined on a first-in, first-out basis.

(f) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the consolidated financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectable or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

(g) Non-financial assets

Non-financial assets, including tangible capital assets, inventories for use and prepaid expenses, are recognized on the consolidated Statement of Financial Position only if they are expected to be used to provide government services in future years. These assets would not normally be used to provide financial resources to discharge liabilities of the Government unless they were sold. Non-financial assets are amortized or charged to expenses in future periods as they are used to provide or support the provision of government services.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems.

Tangible capital assets are recorded at cost, or where actual cost is not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Gifted and cost-shared tangible capital assets are recorded at fair market value upon receipt or cost, respectively, with the gifted or cost-shared portion recorded as a deferred capital contribution, and recognized as revenue on the same basis as the related asset is amortized.

Leased assets that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on the lower of the rate implicit in the lease or the Government's incremental borrowing rate at the time the obligation is incurred.

Tangible capital assets, when placed into service, are amortized using the straight line and declining balance method at the following rates:

Asset Category	Amortization Period
Land	Not amortized
Buildings	30 years
Leased Buildings	20-30 years
Infrastructure	30 years
Tank Farms	30 years
Storage Facilities	30 years
Equipment	5-30 years
Electric Power Plants	20-40 years
Transmission Distribution Systems	20-40 years
Warehouse and Equipment (QEC)	5-40 years

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Tangible capital assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

(i) Pension and other employee future benefits

Pension benefits

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut to cover current service cost. Pursuant to legislation currently in place, the Government of Nunavut has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Government of Nunavut.

The costs and obligations for the Government's pension benefits to Members of the Legislative Assembly are determined on an actuarial basis. This is done to determine the present value of future entitlements and uses various assumptions. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-pension employee future benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

(j) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Grants from the Government of Canada are recognized as revenue when entitlement for the transfer occurs. The formula for the principle-based Territorial Formula Financing grant is legislated by the *Federal-Provincial Fiscal Arrangements Act (Canada)*. Health and social transfers are recorded in accordance with this Act. Adjustments for health and social transfer revenues are made in the year they are known.

Other transfers from the Government of Canada are recognized as revenue in the period that the events giving rise to the transfer occur as long as: (i) the transfer is authorized; (ii) the Government has met any eligibility criteria; and (iii) a reasonable estimate of the amount of the transfer can be made. Transfers received before these are fully met are recorded as deferred revenue until the criteria are met.

Taxes and general revenues

Income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are finalized. These income tax adjustments are accounted for in the year known.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Recoveries of prior years expenditures

Recoveries of prior years expenditures, including reversals of prior years expenditure over-accruals, are reported as revenues in the consolidated financial statements. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

(k) Expenses

Expenses are recorded on an accrual basis.

Grants and contributions are recorded as expenses when the following criteria are all met: (i) the grant or contribution has the necessary authorization; (ii) the recipient has met any eligibility criteria; and (iii) a reasonable estimate of the amount of the expense can be made. Grants or contributions paid prior to all three conditions being met are accounted for as prepaid expenses until all conditions are met by the recipient.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Contractual obligations and contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to block funding agreements with municipalities, operating commercial leases, capital projects and operational funding commitments. Contractual obligations are not accrued until the terms of those contracts or agreements are met.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(m) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates at the time the contamination occurs or when the Government becomes aware of the contamination and is obligated or is likely obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Accrued environmental liabilities are reported as part of accounts payable and accrued liabilities. The environmental liabilities are reassessed on an annual basis.

(n) Financial instruments

The fair values of the Government's short term financial instruments, including accounts payable and accrued liabilities, cash and cash equivalents, portfolio and other investments (with terms of maturity of less than 12 months), due from the Government of Canada and other revenues receivable approximate their carrying amounts because of their short term to maturity.

The fair value of the Government's long term financial instruments, including long term debt, capital lease obligations, pension liabilities, other employee future benefits, portfolio and other investments (with terms of maturity of greater than 12 months), and loans receivable, are detailed in the related notes. Where fair value amounts are not detailed, the carrying amounts approximate their fair value.

3 ACCOUNTING CHANGES - RESTATEMENT OF 2011 BALANCES PREVIOUSLY REPORTED

The March 31, 2012 consolidated financial statements have been prepared taking into account corrections to previously reported 2011 balances. Certain 2011 comparative balances in these consolidated financial statements have been restated to correct errors made during the 2011 consolidation of entities controlled by the Government. These corrections resulted in an increase of $2,232 to financial assets, a decrease of $13,181 to liabilities, a decrease of $8,650 to non-financial assets, an increase of $3,604 to revenues, an increase of $72 to expenses, and an increase of $3,231 to accumulated surplus at March 31, 2011. Accumulated surplus as at April 1, 2011 was restated for an increase of $6,763.

4 CASH AND CASH EQUIVALENTS

	2012	2011 (Restated - Note 3)
Cash	241,214	162,030
Designated cash	2,019	1,557
Short term investments	82,467	108,297
	325,700	271,884

Designated cash represents funds reserved for further investments or financing for subsidiary business enterprises and venture investments.

Cash and cash equivalents include investments in a diversified portfolio of high grade, short term income producing assets. The portfolio yield for the year ended March 31, 2012 varied from 0.76% to 2.5% (2011 - 0.12% to 2.5%). All instruments held are in high quality debt obligations, rated R-1 Low or better by DBRS (i.e., formerly known as the Dominion Bond Rating Service), with an average remaining term to maturity after year end of 30 days (2011 - 112 days).

5 PORTFOLIO AND OTHER INVESTMENTS

Portfolio and other investments include the following at March 31.

Portfolio investments	2012 Effective Rate of Return	2012 Term to Maturity	2012 Carrying Value	2011 Carrying Value
Government of Canada	variable	1 to 3 years	1,026	1,026
Provincial Governments	4.36%	1 to 7 years	5,601	5,617
			6,627	6,643
Other investments				
Venture investments			250	250
SRAF designated investments			7,555	6,678
			14,432	13,571

The market value of the portfolio investments at March 31, 2012 was $7,049 (2011 - $6,735), with an average yield in 2012 of 4.36% (2011 - 4.36%).

The Supplementary Retiring Allowances Fund (SRAF) of the Legislative Assembly investments cannot be used to discharge other obligations incurred by the Government. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2012 was $7,956 (2011 - $7,360) with a positive return of 3.55% (2011 - 10.69%).

Venture investments include 250 Class D Preferred Limited Partnership units with a fixed cumulative annual distribution of 6.25% based on its investment. The shares are redeemable in March 2015.

6 REVENUES RECEIVABLE

	2012	2011 (Restated - Note 3)
(a) Due from the Government of Canada		
Health Canada	14,014	13,387
Infrastructure Funds	15,994	714
Goods and Services Tax	9,044	9,858
Official Languages	6,058	3,692
Transport Canada Programs	1,896	2,473
Canada Mortgage and Housing Corporation	3,318	2,621
Aboriginal Affairs and Northern Development Canada	976	14,739
Other receivables	23,681	35,388
	74,981	82,872

(b) Other revenues receivable	2012	2011
Other accounts receivable of the Petroleum Products Division	30,993	31,751
Other accounts receivable of other departments	44,269	27,512
Other accounts receivable of the Territorial Corporations	49,862	47,769
	125,124	107,032
Less: Allowance for doubtful accounts	(40,707)	(34,791)
	84,417	72,241

7 INVENTORIES

	2012	2011 (Restated - Note 3)
(a) For resale		
Bulk fuels	117,885	105,533
Liquor products	1,683	1,572
Finished goods	2,795	2,082
Packaging materials and supplies	447	211
	122,810	109,398

The write-down for bulk fuels inventory for 2012 was $813 (2011 - $703).

(b) For use		
Fuel	9,122	8,201
Supplies and lubricants	8,468	5,367
Health and medical supplies	2,467	2,263
Raw materials and work in progress	446	680
	20,503	16,511

8 LOANS RECEIVABLE

	2012	2011 (Restated - Note 3)
Mortgage loans from Nunavut Housing Corporation to individuals with a maximum maturity of 25 years, bearing interest between 5.19% and 14.25% (2011 - 5.19% and 14.25%), net of valuation allowance of $14,902 (2011 - $10,493) and subsidy to mortgage holders of $8,127 (2011 - $14,418)	1,710	1,932
Loans from Nunavut Business Credit Corporation to businesses with a maximum maturity of 25 years, bearing interest between 4.25% and 8.5% (2011 - 4.25% and 8.5%), net of valuation allowance of $1,176 (2011 - $1,360).	9,672	11,774
Student Loan Fund loans, bearing interest between 2.75% and 12.5%, net of doubtful accounts and valuation allowances of $4,122 (2011 - $3,862).	1,383	1,297
Loan to municipality due in 2012, bearing interest at 8%	-	6
Other, including Qikiqtaq Co-op Mall Mortgage, net of valuation allowance of $64 (2011 - $64).	-	-
	12,765	15,009

9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2012	2011 (Restated - Note 3)
Payable to related parties		
Workers' Safety and Compensation Commission	2,223	641
Other		
Accounts payable	124,084	120,709
Accrued environmental liabilities	11,346	10,631
Accrued liabilities, payroll deductions and contractor holdbacks	82,457	97,302
Vacation pay and lieu time	29,369	28,070
Due to the Government of Canada	25,060	20,997
Due to the Government of the Northwest Territories	6,353	1,570
	278,669	279,279
	280,892	279,920

10 PENSION AND OTHER EMPLOYEE FUTURE BENEFIT LIABILITIES

(a) Pension liabilities

i) Public Service Pension Plan

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective at year end was 1.74 (2011 - 1.86). Total contributions of $37,995 (2011 - $35,225) were recognized as expense in the current year.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

ii) Legislative Assembly Retiring Allowances Plans

The Government of Nunavut sponsors two defined benefit pension plans for Members of the Legislative Assembly (MLAs). Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's consolidated revenue fund. This plan came into effect during the 2001-02 year, and provides for benefits retroactive to April 1, 1999.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2012 (no changes in 2011).

Actuarial valuations were completed for these plans as of April 1, 2011. The valuations were based on a number of assumptions about future events including inflation rates (2.0%), interest rates (inflation, plus 2.8%), return on assets (inflation, plus 2.8%), increases in remuneration (inflation, plus 1%), and mortality. The assumptions used reflect the best estimates as approved by the Management and Services Board of the Legislative Assembly. The valuations were performed using the projected unit credit actuarial cost method. The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2014.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for a least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of (a) age 60, (b) 30 years of service, or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

10 PENSION AND OTHER EMPLOYEE FUTURE BENEFIT LIABILITIES (continued)

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows.

	LARAF	SRAF	2012	2011
Accrued benefit obligation	5,387	7,293	12,680	10,951
Deduct:				
Pension fund assets	5,372	-	5,372	4,795
Unamortized actuarial (gain) loss	258	222	480	(2)
	5,630	222	5,852	4,793
Pension (asset) liability	(243)	7,071	6,828	6,158

As at March 31, 2012, LARAF pension fund assets had a market value of $5,448 (2011 - $4,923). The actual rate of return was positive 3.3% (2011 - 10.54%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 5).

LARAF and SRAF actuarial gains/losses are amortized over 1.8 years (2011 - 2.8 years) which is the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components.

	LARAF	SRAF	2012	2011
Current period benefit cost	717	980	1,697	1,529
Amortization of actuarial (gains) losses	225	43	268	7
	942	1,023	1,965	1,536
MLAs contributions	(178)	-	(178)	(188)
Pension expense	764	1,023	1,787	1,348
Interest cost on the average accrued benefit obligation	257	348	605	690
Expected return on the average pension plan assets	(229)	-	(229)	(299)
Pension interest expense	28	348	376	391
Total expenses related to pensions	792	1,371	2,163	1,739

Pension benefits paid for the LARAF and SRAF were $674 and $620, respectively (2011 - $114 and $617, respectively).

The Government's contributions related to the LARAF and SRAF during the year were $873 and $950, respectively (2011 - $441 and $906, respectively).

(b) Other employee future benefit liabilities	2012	2011 (Restated - Note 3)
Severance	14,793	13,983
Removal	9,916	10,649
	24,709	24,632

11 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT

Loans and mortgages payable	2012	2011
Loans payable to Canada Mortgage and Housing Corporation, repayable in annual instalments of $2,285 to the year 2032, bearing interest at a rate of 6.97% (2011 - 6.97%).	16,387	17,436
Mortgage payable in annual instalments of $554 to the year 2020, bearing interest at a rate of 6.9% (2011 - 6.9%) compounded semi-annually. The mortgage is secured by a building. The carrying value of the security is $6,396 (2011 - $6,708)	3,595	3,894
Redeemable 20 year amortizing debenture, bearing interest at a rate of 6.809% (2011 - 6.809%) due September 27, 2021. Repayable in blended semi-annual payments of $2,848 with a balloon payment of $17,502 at the end of the term.	47,448	49,794
Non-revolving floating rate term loan facility with payments of $58 due monthly beginning April 30, 2007 with the final payment due March 30, 2017. Interest at bank prime less 0.5% in 2011 varied from 1.75% to 2.5%.	-	4,200
Non-revolving floating rate term loan facility with payments of $67 due monthly beginning November 21, 2007 with the final payment due October 21, 2017. Interest at bank prime less 0.5% in 2011 varied from 1.75% to 2.5%.	-	5,333
Non-revolving floating rate term loan facility with payments of $67 due monthly beginning July 25, 2010 with the final payment due July 25, 2020. Interest at bank prime less 0.5% in 2011 varied from 1.75% to 2.5%.	-	7,400
Non-revolving fixed rate term loan facility with payments of $42 due monthly beginning on August 1, 2011 with the final payment due on May 1, 2021. Interest at 4.24% in 2012.	3,799	-
Non-revolving fixed rate term loan facility with payments of $53 due monthly beginning on August 1, 2011 with the final payment due on May 1, 2021. Interest at 4.24% in 2012.	4,846	-
Non-revolving fixed rate term loan facility with payments of $74 due monthly beginning on August 1, 2011 with the final payment due on June 1, 2021. Interest at 4.24% in 2012.	6,799	-
Non-revolving fixed rate term loan facility with payments of $30 due monthly beginning on March 1, 2011 with the final payment due on February 1, 2032. Interest at 4.24% in 2012.	4,775	-
Non-revolving fixed rate term loan facility with payments of $133 due monthly beginning on August 1, 2011 with the final payment due on July 1, 2021. Interest at 4.24% in 2012.	12,285	-
	99,934	88,057

During 2011-12 Qulliq Energy Corporation converted its floating rate term loan facilities to fixed rate loan facilities.

Principal and interest amounts due in each of the next five fiscal years and thereafter on the loans and mortgages payable are as follows.

	Principal	Interest	Total
2013	6,610	5,909	12,519
2014	7,002	5,517	12,519
2015	7,417	5,102	12,519
2016	7,856	4,663	12,519
2017	8,222	4,194	12,416
2018 and beyond	62,827	14,166	76,993
	99,934	39,551	139,485

Interest expense on long term debt was $4,770 for the year (2011 - $4,594). The interest paid on long term debt during the year was $5,844 (2011 - $5,562).

11 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT (continued)

Borrowing Authority

In March 2012, pursuant to subsection 27(2) of the *Nunavut Act*, a change was approved in the borrowing authority limit of the Government of Nunavut increasing it from $200 million to $400 million. Regulations defining the scope and application of the new borrowing authority limit had not been approved at the time these consolidated financial statements were finalized. Since it is expected that capital lease obligations will be specifically covered by the scope of the new limit, they have been included in the borrowing authority reporting for 2012 below.

	2012	2011 (Restated - Note 3)
Qulliq Energy Corporation, long term debt	79,952	66,727
Nunavut Housing Corporation, long term debt	16,387	17,436
Consolidated Revenue Fund, mortgage payable	3,595	3,894
Capital lease obligations	79,609	-
	179,543	88,057
Qulliq Energy Corporation, bank overdraft liability	1,894	16,314
Nunavut Development Corporation, subsidiary credit facilities	22	13
Total debt	181,459	104,384
Authorized borrowing limit	400,000	200,000
Available borrowing capacity	218,541	95,616

The Government of Nunavut guarantees the long term debt of Qulliq Energy Corporation and Nunavut Housing Corporation as well as the bank overdrafts of Qulliq Energy Corporation and Nunavut Development Corporation.

As part of their financing, Nunavut Development Corporation subsidiaries have arranged various credit facilities at different terms and interest rates. Nunavut Development Corporation has provided a guarantee for these credit facilities.

12 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for leases in effect as of March 31.

	2012	2011
Total minimum lease payments	107,355	123,971
Less: imputed interest	(24,872)	(30,923)
Less: executory costs	(2,874)	(4,106)
Present value of minimum lease payments	79,609	88,942

Future minimum lease payments for each of the next 5 years and thereafter are as follows.

2013	16,710
2014	16,034
2015	13,300
2016	11,265
2017	11,228
2018 and beyond	38,818
	107,355

Lease payments are allocated between repayments of the liability, interest expense and any related executory costs. The total minimum lease payments less the initial liability and executory costs represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was $6,081 (2011 - $6,759) at an implied average interest rate of 7.6% (2011 - 7.6%). The capital lease obligations expire between 2013 and 2027.

13 DEFERRED REVENUE AND CAPITAL CONTRIBUTIONS

	2012	2011 (Restated - Note 3)
Deferred revenue		
Provincial-Territorial Base Funding (Building Canada Fund)	66,471	57,184
Gas Tax Agreement	21,310	17,713
Other deferred revenue	7,511	3,320
	95,292	78,217
Deferred capital contributions		
CMHC Social Housing Agreement	182,500	172,660
CMHC other capital contributions	-	21,127
Other deferred capital contributions	84,547	81,010
	267,047	274,797
	362,339	353,014

The deferred capital contributions balance includes $182,500 (2011 - $172,660) relating to the 1999 Social Housing Agreement, under the terms of which the Canadian Mortgage and Housing Corporation (CMHC) transferred social housing assets to the Nunavut Housing Corporation (NHC) in exchange for loans payable by NHC to CMHC. The financial assistance provided to NHC in the transfer of the social housing assets has been deferred and is being recognized as revenue over the service life of the associated tangible capital assets.

14 EXPENSES BY TYPE

	2012	2011 (Restated - Note 3)
Compensation and employee benefits	503,239	490,816
Grants and contributions	184,020	175,809
Goods and services	863,862	789,016
Amortization of tangible capital assets	95,729	85,572
Interest expense	11,216	11,740
Increase in valuation allowances	5,415	3,355
	1,663,481	1,556,308

15 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2012:

	Year of Expiration	Total
Commitments under operating leases	2027	172,092
Capital commitments	2014	56,677
Policing agreement	2032	592,120
Other commitments	2018	51,598
		872,487

Contractual obligations by fiscal year are as follows:

2013	147,165
2014	81,984
2015	57,991
2016	50,930
2017	47,422
2018 and beyond	486,995
	872,487

15 CONTRACTUAL OBLIGATIONS (continued)

In addition to the above, in fiscal 2011, as a result of a public request for proposal, the Government entered into contract arrangements for the supply of petroleum products for a five year term. Under the terms of this agreement, minimum fuel volume purchases for the 2012 and 2013 re-supply seasons are as follows:

	2012	2013
	(thousands of litres)	
Diesel	14,934	15,382
Gasoline	2,410	2,483
Jet fuel	3,291	3,390
	20,635	21,255

16 CONTINGENCIES

(a) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can be reasonably estimated. As at March 31, 2012, no new post-division adjustments were recorded.

(b) Environmental restoration costs

The Government recognizes that there are costs related to the restoration of any contaminated sites situated on lands within the Territory. Liabilities have been accrued in the consolidated financial statements when it has been determined that the Government is liable for a contaminated site and where a reasonable estimate of the remediation costs can be made. The Government's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any additional liabilities will be accrued in the year in which they become known.

The Government will continue to implement a program of site inspection, assessment and remediation on an ongoing basis. To facilitate this, the Government has established a committee to ensure all existing and potential liabilities are identified and appropriate actions initiated. This is an ongoing process which should show continuous improvement each year as the Government continues to work in a practical manner towards the determination and appropriate recognition of its environmental liabilities within the Territory.

(c) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of any liability that may result from these actions is not determinable at this time; consequently no liability has been accrued.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. As of March 31, 2012, all of these claims have been assessed as being either without merit or not determinable at this time.

(d) Pay Equity

There are a number of pay equity claims outstanding against the Government of Nunavut primarily for job rating evaluations of specific trades. The Government is working with Nunavut Employees Union in order to resolve the claims. However, the outcome of these claims is not currently known. As of March 31, 2012, no provision has been made in these financial statements.

16 CONTINGENCIES (continued)

(e) Other

Under the terms of the Social Housing Agreement with Canadian Mortgage and Housing Corporation (CMHC), Nunavut Housing Corporation (NHC) is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that NHC shall indemnify and reimburse CMHC for, and save it harmless from, all losses, costs and expenses related to these loans. The value of these third party loans is approximately $2,632 as at March 31, 2012 (2011 - $2,851).

17 PROJECTS FUNDED UNDER THIRD-PARTY AGREEMENTS

Under agreements with the Government of Canada and others, the government receives full or partial funding for eligible expenses incurred on various specific projects. The following is a summary of the various project-related revenues and expenses funded during the year.

		2012	2011
Revenues			
	From the Government of Canada	108,769	113,502
	From others	3,825	3,712
	Total revenues	112,594	117,214
Expenses			
	Compensation and benefits	16,431	15,704
	Grants and contributions	38,436	47,224
	Other expenses	52,060	52,373
	Amortization of tangible capital assets	5,667	1,913
	Total expenses	112,594	117,214

18 RELATED PARTY TRANSACTIONS

Significant related party transactions and balances are disclosed separately in these consolidated financial statements.

19 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2012	2011
Public Trustee	3,729	4,340
Victims' Assistance Trust	458	536
Natural Resources Conservation Trust	283	280
Millennium Scholarship Fund	8	8
Scholarship Fund	42	42
Territorial Court Trust	802	807
Maintenance Enforcement Trust	114	107
Baffin Correctional Centre Welfare Trust	9	-
Baffin Correctional Centre Inmate Trust	21	12
Young Offenders Welfare Trust	15	3
Young Offenders Trust	12	15
Sheriff's Imprest Account	10	10
Nunavut Labour Standards Board Trust	3	3
HSS - Akausisarvik	6	9
	5,512	6,172

20 PREPAID EXPENSES

The 2011 balance included $9,629 of 2011-12 funding for municipalities that was advanced on March 31, 2011. This was one day prior to the effective date (i.e., April 1, 2011) of the statutory spending authority for the 2011-12 expenditure appropriations. These prepaid expenses were charged as grants and contributions during the 2011-12 year.

21 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

GOVERNMENT OF NUNAVUT **SCHEDULE A**
PUBLIC ACCOUNTS
Consolidated Schedule of Revenues by Source
for the year ended March 31, 2012
(in thousands of dollars)

	2012 Actual	2011 Actual (Restated - Note 3)
From the Government of Canada		
Territorial Formula Financing Agreement	1,175,255	1,090,553
Transfers under third-party funding agreements	108,769	113,502
Other transfer payments	115,139	115,584
	1,399,163	1,319,639
Revenues generated by the Government of Nunavut		
Personal income tax	25,177	19,816
Corporate income tax	7,530	9,034
Payroll tax	22,017	19,803
Tobacco tax	13,860	13,058
Fuel tax	5,027	5,924
Property tax	2,742	2,019
Insurance tax	1,410	1,018
Sales		
Petroleum Products Revolving Fund - before cost of goods sold of $122,396 (2011 - $86,287)	145,864	131,914
Liquor Revolving Fund - before cost of goods sold of $2,916 (2011 - $2,670)	6,465	6,338
Nunavut Development Corporation - before cost of goods sold of $7,281 (2011 - $5,679)	7,393	6,187
Qulliq Energy Corporation - power sales	52,668	43,251
Staff housing recoveries	16,767	16,224
Transfers under third-party funding agreements	3,825	3,712
Recoveries of prior years expenditures	11,090	10,818
Other revenues	39,676	32,925
	361,511	322,041
Total revenues	1,760,674	1,641,680

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

SCHEDULE B

Consolidated Schedule of Tangible Capital Assets
for the year ended March 31, 2012
(in thousands of dollars)

	Buildings	Leased Buildings	Storage	Tank Farms	Equip-ment	Warehouse / Equipment (QEC)	Electric Power Plants	Transmission Distribution Systems	Infra-structure	Land	2012	2011 (Restated - Note 3)
Cost of tangible capital assets												
Opening balance	1,525,587	155,201	50,523	151,074	57,420	37,574	137,368	31,867	150,600	428	2,297,642	1,995,563
Additions	8,122	-	-	2,700	13,947	-	-	-	5,305	-	30,074	12,281
Transferred from work in progress	200,389	-	168	-	19,262	7,504	14,235	8,497	2,575	-	252,630	294,715
Disposals	(5,220)	-	-	-	(62)	(140)	-	-	-	-	(5,422)	(4,917)
Closing balance	1,728,878	155,201	50,691	153,774	90,567	44,938	151,603	40,364	158,480	428	2,574,924	2,297,642
Accumulated amortization												
Opening balance	(512,274)	(55,150)	(20,339)	(45,088)	(41,068)	(13,796)	(63,541)	(16,674)	(43,269)	-	(811,199)	(728,597)
Amortization	(62,931)	(5,173)	(1,608)	(5,126)	(10,042)	(653)	(4,526)	(607)	(5,063)	-	(95,729)	(85,572)
Disposals	2,636	-	-	-	-	125	-	-	-	-	2,761	2,970
Closing balance	(572,569)	(60,323)	(21,947)	(50,214)	(51,110)	(14,324)	(68,067)	(17,281)	(48,332)	-	(904,167)	(811,199)
Work in progress												
Opening balance	191,821	-	112	-	19,474	4,922	17,656	7,618	5,126	-	246,729	317,888
Additions	88,065	-	168	160	1,399	3,018	9,023	9,550	4,620	-	116,003	223,556
Transferred to cost of tangible capital assets	(200,389)	-	(168)	-	(19,262)	(7,504)	(14,235)	(8,497)	(2,575)	-	(252,630)	(294,715)
Closing balance	79,497	-	112	160	1,611	436	12,444	8,671	7,171	-	110,102	246,729
Net book value	1,235,806	94,878	28,856	103,720	41,068	31,050	95,980	31,754	117,319	428	1,780,859	1,733,172
Estimated useful life	**30 years**	**20-30 years**	**30 years**	**30 years**	**5-30 years**	**5-40 years**	**20-40 years**	**20-40 years**	**30 years**			

GOVERNMENT OF NUNAVUT **SCHEDULE C**

PUBLIC ACCOUNTS

Consolidated Schedule of Segmented Information

for the year ended March 31, 2012

(in thousands of dollars)

	Consolidated Revenue Fund	Revolving Funds	Territorial Corporations	Total for All Segments	Consolidation Adjustments (1)	2012	2011 (Restated - Note 3)
Revenues							
From the Government of Canada							
Territorial Formula Financing Agreement	1,175,255	-	-	1,175,255	-	1,175,255	1,090,553
Transfers under third-party funding agreements	107,677	-	1,092	108,769	-	108,769	113,502
Other transfer payments	76,297		38,842	115,139	-	115,139	115,584
	1,359,229	-	39,934	1,399,163	-	1,399,163	1,319,639
Generated by the Government of Nunavut							
Corporate and personal income taxes	32,707	-	-	32,707	-	32,707	28,850
Other taxes	45,056	-	-	45,056	-	45,056	41,822
Sales	-	214,320	118,679	332,999	(120,609)	212,390	187,690
Transfers under third-party funding agreements	3,825	-	-	3,825	-	3,825	3,712
General	34,153	-	265,116	299,269	(242,826)	56,443	49,149
	115,741	214,320	383,795	713,856	(363,435)	350,421	311,223
Recoveries of prior years expenditures	11,090			11,090	-	11,090	10,818
Total revenues	1,486,060	214,320	423,729	2,124,109	(363,435)	1,760,674	1,641,680
Expenses							
Compensation and employee benefits	418,851	5,036	75,853	499,740	3,499	503,239	490,816
Grants and contributions	396,685	-	-	396,685	(212,665)	184,020	175,809
Goods and services	560,779	206,827	284,241	1,051,847	(187,985)	863,862	789,016
Amortization of tangible capital assets	51,107	-	41,604	92,711	3,018	95,729	85,572
Interest expense	5,056	-	6,344	11,400	(184)	11,216	11,740
Increase (decrease) in valuation allowances	1,592	(465)	3,018	4,145	1,270	5,415	3,355
Total expenses	1,434,070	211,398	411,060	2,056,528	(393,047)	1,663,481	1,556,308
Surplus for year	51,990	2,922	12,669	67,581	29,612	97,193	85,372

(1) - Includes adjustments to eliminate inter-entity balances to comply with generally accepted accounting principles. For example, contributions by departments to revolving funds, territorial corporations and other agencies (i.e., consolidated entities) are shown in grants and contributions expense under the "Consolidated Revenue Fund" column, while the amounts received by the applicable consolidated entity group are shown as revenues in their respective columns. These amounts are eliminated upon consolidation to avoid double-counting and results in significant amounts shown in the 'Consolidation Adjustments' column.

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SECTION II

NON-CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Financial Position (unaudited)
as at March 31, 2012
(in thousands of dollars)

	2012	2011 (Restated - Note 3)
Financial assets		
Cash and cash equivalents (Note 4)	215,426	188,928
Due from the Government of Canada (Note 5)	68,341	76,228
Revenues receivable (Note 6)	108,593	91,274
Inventories for resale (Note 7(a))	119,568	107,105
Loans receivable (Note 8)	19,610	16,306
Designated investments (Note 9)	7,555	6,678
Total financial assets	539,093	486,519
Liabilities		
Accounts payable and accrued liabilities (Note 10)	249,705	270,184
Other employee future benefits (Note 11)	20,332	21,208
Capital lease obligations (Note 12)	66,279	72,075
Mortgage payable (Note 13)	3,595	3,894
Pension liabilities (Note 14)	6,828	6,158
Deferred revenue and capital contributions (Note 15)	170,432	149,943
Total liabilities	517,171	523,462
Net financial assets (debt)	21,922	(36,943)
Non-financial assets		
Tangible capital assets (Schedule C)	999,081	992,100
Inventories for use (Note 7(b))	2,467	2,263
Prepaid expenses (Note 22)	1,858	12,996
Total non-financial assets	1,003,406	1,007,359
Accumulated surplus	1,025,328	970,416

Contractual obligations (Note 17)
Contingencies (Note 18)

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)
for the year ended March 31, 2012
(in thousands of dollars)

	2012 Budget	2012 Actual	2011 Actual
Revenues (Schedule A)			(Restated - Note 3)
From the Government of Canada	1,347,080	1,359,229	1,277,600
Tax revenues generated by the Government of Nunavut	63,000	77,763	70,672
Other revenues generated by the Government of Nunavut	53,478	64,995	84,927
Recoveries of prior years expenditures	-	11,090	10,818
Total revenues	1,463,558	1,513,077	1,444,017
Expenses (Schedule B)			
Operations and maintenance expenses before amortization	1,332,956	1,327,512	1,265,160
Plus: Amortization expenses on tangible capital assets	44,769	51,107	44,708
Total operations and maintenance expenses	1,377,725	1,378,619	1,309,868
Capital expenditures	218,571	137,634	210,351
Less: Transfers to tangible capital assets	103,057	58,088	95,378
Total capital expenses	115,514	79,546	114,973
Total expenses	1,493,239	1,458,165	1,424,841
Surplus (deficit) for year (Note 21)	(29,681)	54,912	19,176
Accumulated surplus, beginning of year	970,416	970,416	951,240
Accumulated surplus, end of year	940,735	1,025,328	970,416

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Change in Net Financial Assets (Debt) (unaudited)
for the year ended March 31, 2012
(in thousands of dollars)

	2012 Budget	2012 Actual	2011 Actual (Restated - Note 3)
Surplus (deficit) for year	(29,681)	54,912	19,176
Tangible capital assets (Schedule C)			
Additions	(103,057)	(58,088)	(95,378)
Amortization	44,769	51,107	44,708
	(58,288)	(6,981)	(50,670)
Net use (additions) of inventories for use	-	(204)	(12)
Net use (additions) of prepaid expenses	-	11,138	(10,178)
	-	10,934	(10,190)
Change in net financial assets (debt)	(87,969)	58,865	(41,684)
Net financial assets (debt), beginning of year	(36,943)	(36,943)	4,741
Net financial assets (debt), end of year	(124,912)	21,922	(36,943)

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Cash Flow (unaudited)
for the year ended March 31, 2012
(in thousands of dollars)

	2012	2011
Cash provided by (used for) operating activities:		
Transfers from the Government of Canada	1,392,422	1,307,510
Taxes	77,259	72,772
Other government revenues	228,864	198,773
Interest payments on capital leases and mortgage	(5,050)	(5,456)
Compensation and employee benefits	(422,907)	(404,197)
Grants and contributions	(462,302)	(445,041)
Goods and services	(713,404)	(637,133)
	94,882	87,228
Cash provided by (used for) capital activities:		
Tangible capital asset acquisitions	(58,088)	(95,378)
	(58,088)	(95,378)
Cash provided by (used for) investing activities:		
Loans to municipalities, businesses and individuals	(479)	(549)
Loan repayments received	154	1,163
Loan advances	(3,000)	-
Designated investments	(877)	(531)
	(4,202)	83
Cash provided by (used for) financing activities:		
Principal payments on capital leases	(5,795)	(5,410)
Principal payments on mortgage payable	(299)	(278)
	(6,094)	(5,688)
Increase (decrease) in cash and cash equivalents	26,498	(13,755)
Cash and cash equivalents, beginning of year	188,928	202,683
Cash and cash equivalents, end of year (Note 4)	215,426	188,928

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

1 AUTHORITY AND OPERATIONS

(a) Government of Nunavut

The Government of Nunavut (the Government) operates under the authority of the *Nunavut Act (Canada)*. The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

(b) Main Estimates

The 2011-2012 Main Estimates were tabled in the Legislative Assembly during the March 2011 session and represent the Government's fiscal plan for the year (i.e., original budget). Summary information and totals for government's original budget for the year are provided on pages x through xiii of the 2011-2012 Main Estimates. Planned Vote 5 revenues and Vote 4 expenses represent the share of eligible costs to be funded under agreement with the Government of Canada or others, and while not part of the annual Appropriations Act approved by the Legislative Assembly, they are along with those of revolving funds included in the original budget totals disclosed in these financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Financial statements

These non-consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) with the exception that they are not consolidated and certain revenues are reported net of expenses.

Pursuant to Section 74 of the *Financial Administration Act*, the Government also prepares consolidated financial statements, which provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements.

(b) Reporting entity

These financial statements include the assets, liabilities and operating results of the Government's Consolidated Revenue Fund, including departments included in the Main Estimates, as well as the following revolving funds:

Liquor Revolving Fund
Petroleum Products Revolving Fund
Public Stores Revolving Fund
Student Loan Fund

Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following public agencies are included in these non-consolidated financial statements only to the extent of the Government's contributions to and services received from or provided to them during the year:

Territorial corporations
- Nunavut Arctic College
- Nunavut Business Credit Corporation
- Nunavut Development Corporation
- Nunavut Housing Corporation
- Qulliq Energy Corporation

Other public agencies
- District Education Authorities
- Human Rights Tribunal
- Labour Standards Board
- Legal Services Board
- Nunavut Liquor Licensing Board
- Qulliit Nunavut Status of Women Council

Nunavut Lottery, which operated under an April 1, 2009 through March 31, 2012 agreement between the Government and the NWT Sport and Recreation Council, are recorded in these non-consolidated financial statements based on the contributions received during the year from the net results of lottery sales and activities in Nunavut.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with GAAP requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, the Government believes the estimates and assumptions to be reasonable. The more significant areas where estimates and assumptions have been used to prepare these financial statements include:

(i) Income tax revenues collected by the Government of Canada on the Government's behalf.

(ii) Allowance for doubtful accounts, loan valuation allowances, provision for losses on loan guarantees, amortization of tangible capital assets and employee future benefits.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques and short term highly liquid investments that are readily convertible to cash. Short term investments are recorded at the lower of cost or market value.

(e) Inventories

Inventories for resale include bulk fuel and liquor products. Bulk fuel is valued at the lower of weighted average cost or net realizable value. Liquor products are valued at the lower of cost or net realizable value on a first-in, first-out basis. Inventory for use includes health and medical supplies valued at the lower of cost or replacement cost, with the cost being determined on a first-in, first-out basis.

(f) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectible or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

(g) Non-financial assets

Non-financial assets, including tangible capital assets, inventories for use and prepaid expenses, are recognized on the Statement of Financial Position only if they are expected to be used to provide government services in future years. These assets would not normally be used to provide financial resources to discharge liabilities of the Government unless they were sold. Non-financial assets are amortized or charged to expenses in future periods as they are used to provide or support the provision of government services.

(h) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems.

Tangible capital assets are recorded at cost, or where actual cost is not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Gifted and cost-shared tangible capital assets are recorded at fair market value upon receipt or cost, respectively, with the gifted or cost-shared portion recorded as a deferred capital contribution, and recognized as revenue on the same basis as the related asset is amortized.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Leased assets that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on the lower of the rate implicit in the lease or the Government's incremental borrowing rate at the time the obligation is incurred.

Tangible capital assets, when placed into service, are amortized on a straight-line basis over their estimated useful life based on the following rates:

Asset Category	Amortization Period
Land	Not amortized
Buildings	30 years
Leased Buildings	30 years
Infrastructure	30 years
Tank Farms	30 years
Storage Facilities	30 years
Equipment	5-30 years

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Tangible capital assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

(i) Pension and other employee future benefits

Pension benefits

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut to cover current service cost. Pursuant to legislation currently in place, the Government of Nunavut has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Government of Nunavut.

The costs and obligations for the Government's pension benefits to Members of the Legislative Assembly are determined on an actuarial basis. This is done to determine the present value of future entitlements and uses various assumptions. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

Non-pension employee future benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Grants from the Government of Canada are recognized as revenue when entitlement for the transfer occurs. The formula for the principle-based Territorial Formula Financing grant is legislated by the *Federal-Provincial Fiscal Arrangements Act (Canada)*. Health and social transfers are recorded in accordance with this Act. Adjustments for health and social transfer revenues are made in the year they are known.

Other transfers from the Government of Canada are recognized as revenue in the period that the events giving rise to the transfer occur as long as: (i) the transfer is authorized; (ii) the Government has met eligibility criteria, if any; and (iii) a reasonable estimate of the amount of the transfer can be made. Transfers received before these are fully met are recorded as deferred revenue until the criteria are met.

Taxes and general revenues

Income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are finalized. These income tax adjustments are accounted for in the year known.

Fuel, tobacco, and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Recoveries of prior years expenditures

Recoveries of prior years expenditures, including reversals of prior years expenditure over-accruals, are reported separately from other revenues on the statement of operations. Pursuant to the subsection 36(9) of the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

(k) Expenses

Expenses are recorded on an accrual basis.

Grants and contributions are recorded as expenses when the following criteria are all met: (i) the grant or contribution has the necessary authorization; (ii) the recipient has met eligibility criteria; and (iii) a reasonable estimate of the amount of expense can be made. Grants or contributions paid prior to all three conditions being met are accounted for as prepaid expenses until all conditions are met by the recipient.

(l) Contractual obligations and contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to block funding agreements with municipalities, operating commercial leases, capital projects, and operational funding commitments. Contractual obligations are not accrued until the terms of those contracts or agreements are met.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates at the time the contamination occurs or when the Government becomes aware of the contamination and is obligated or is likely obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Accrued environmental liabilities are reported as part of accounts payable and accrued liabilities. The environmental liabilities are reassessed on an annual basis.

(n) Financial instruments

The fair values of the Government's short term financial instruments, including accounts payable and accrued liabilities, cash and cash equivalents, portfolio and other investments (with terms of maturity less than 12 months), due from the Government of Canada and other revenues receivable, approximate their carrying amounts because of their short term to maturity.

The fair value of the Government's long term financial instruments, including long term debt, capital lease obligations, pension liabilities, other employee future benefits, portfolio and other investments (with terms of maturity of greater than 12 months), and loans receivable are detailed in the related notes. Where fair value amounts are not detailed, the carrying amounts approximate their fair value.

3 RESTATEMENT OF 2011 BALANCES PREVIOUSLY REPORTED

During the year, it was noted that the Department of Justice had a receivable of $1,425, relating to 2006-07 youth justice services spending due from the Government of Canada that had not been accounted for in the 2011 non-consolidated financial statements. The 2011 comparative balances in these financial statements have been restated by increasing the amount due from the Government of Canada as at March 31, 2011 and increasing the April 1, 2010 and March 31, 2011 accumulated surplus balances by $1,425.

During the finalization of the 2012 non-consolidated financial statements, an error was uncovered in the previously reported 2011 deferred revenue balance. $1,487 of the March 31, 2011 deferred revenue balance related to project spending in earlier years and should have been recognized in revenue prior to April 1, 2010. As a result, the 2011 comparative balances in these financial statements have been restated by decreasing the March 31, 2011 deferred revenue balance and increasing the April 1, 2010 and March 31, 2011 accumulated surplus balances by $1,487.

Also during the finalization of the 2012 non-consolidated financial statements, an error was uncovered in the valuation allowance for the March 31, 2011 revenues receivable balance previously reported. As a result, the comparative balances in these financial statements have been restated by increasing the 2011 balance for allowance for doubtful accounts in note 6 and increasing bad debt expenses for the year by $873. Further, the surplus reported for 2011 and the March 31, 2011 accumulated surplus balance have been reduced by $873.

4 CASH AND CASH EQUIVALENTS

	2012	2011
Royal Bank of Canada	178,478	123,606
Canadian Imperial Bank of Commerce	3,998	3,965
Guaranteed investment certificates	15,912	15,772
Treasury investments	17,038	45,585
	215,426	188,928

Treasury investments are in the short term money market. The market yield of this portfolio ranged from 1.86% to 1.96% in 2012 (2011 - 1.23% to 1.59%). All instruments held are in high quality debt obligations, rated R-1 Low or better by DBRS (i.e., formerly known as the Dominion Bond Rating Service), with an average remaining term to maturity after year end of 30 days (2011 - 173 days).

5 DUE FROM THE GOVERNMENT OF CANADA

	2012	2011 (Restated - Note 3)
Grant receivable:		
From the Government of Canada (Schedule A)	1,175,255	1,090,553
Less: Payments received	(1,175,255)	(1,090,553)
	-	-
Balance of grant receivable, beginning of the year	-	-
Balance of grant receivable, end of the year	-	-
Other receivables:		
Other receivables from the Government of Canada	68,341	76,228
	68,341	76,228

The amounts due from the Government of Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to maturity.

6 REVENUES RECEIVABLE

	2012	2011 (Restated - Note 3)
Receivable by funds		
Consolidated Revenue Fund	55,280	43,514
Petroleum Products Revolving Fund	68,014	61,616
Public Stores Revolving Fund	67	45
Liquor Revolving Fund	2	2
	123,363	105,177
Less: Allowance for doubtful accounts	(14,770)	(13,903)
	108,593	91,274
Receivable by relation with the creditors		
Nunavut Arctic College	12,870	11,474
District Education Authorities	1,123	463
Nunavut Business Credit Corporation	154	148
Nunavut Development Corporation	66	49
Nunavut Housing Corporation	11,244	10,472
Qulliq Energy Corporation	23,159	23,824
Receivable from related parties	48,616	46,430
Other accounts receivable	74,747	58,747
	123,363	105,177
Less: Allowance for doubtful accounts	(14,770)	(13,903)
	108,593	91,274

7 INVENTORIES

	2012	2011
(a) **For resale**		
Bulk fuels	117,885	105,533
Liquor products	1,683	1,572
	119,568	107,105

The write-down for bulk fuels inventory for 2012 was $813 (2011 - $703).

(b) **For use**		
Health and medical supplies	2,467	2,263

8 LOANS RECEIVABLE

	2012	2011
Working Capital advances to the Nunavut Business Credit Corporation. The term is indeterminate with the option to repay any portion of the principal on any interest payment date. Interest is calculated at selected Government of Canada three year benchmark bond yields ranging between 0.99% and 2.04% (2011 - 1.49% and 2.42%) at the end of the month, compounded annually.	18,227	15,003
Student Loan Fund loans, bearing interest between 2.75% and 12.5%, net of doubtful accounts and valuation allowances of $4,122 (2011 - $3,862).	1,383	1,297
Loan to municipality due in 2012, bearing interest at 8%	-	6
Other, including Qikiqtaq Co-op Mall Mortgage, net of valuation allowance of $64 (2011 - $64)	-	-
	19,610	16,306

9 DESIGNATED INVESTMENTS

	2012	2011
SRAF designated investments	7,555	6,678

The Supplementary Retiring Allowances Fund (SRAF) of the Legislative Assembly investments cannot be used to discharge other obligations incurred by the Government. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2012 was $7,956 (2011 - $7,360) with a positive return of 3.55% (2011 - 10.69%).

10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2012	2011
To related parties		
Nunavut Arctic College	3,177	2,864
District Education Authorities	1,873	2,064
Nunavut Business Credit Corporation	12	57
Nunavut Development Corporation	993	149
Nunavut Housing Corporation	2,312	8,214
Qulliq Energy Corporation	6,904	19,646
	15,271	32,994
To others		
Accounts payable	84,111	84,480
Accrued liabilities, payroll deductions, and contractor holdbacks	82,457	96,345
Accrued environmental liabilities	11,346	10,631
Vacation pay and lieu time	26,349	25,163
Due to the Government of Canada	23,818	19,001
Due to the Government of the Northwest Territories	6,353	1,570
	234,434	237,190
	249,705	270,184

11 OTHER EMPLOYEE FUTURE BENEFITS

	2012	2011
Severance	11,132	11,580
Removal	9,200	9,628
	20,332	21,208

12 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for the leases in effect as of March 31.

	2012	2011
Total minimum lease payments	88,347	98,938
Less: Imputed interest	(22,068)	(26,863)
Present value of minimum lease payments	66,279	72,075

Future minimum lease payments for each of the next 5 years and thereafter are as follows:

2013	10,591
2014	10,591
2015	10,591
2016	10,591
2017	10,591
2018 and beyond	35,392
	88,347

Lease payments are allocated between repayment of the liability and interest expense. The total minimum lease payments less the initial liability represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was $4,796 (2011 - $5,181) at an implied average interest rate of 7.0% (2011 - 7.0%). The capital lease obligations expire between 2020 and 2027.

13 MORTGAGE PAYABLE

	2012	2011
Mortgage payable in annual instalments to the year 2020, bearing interest at a rate of 6.9% compounded semi-annually.	3,595	3,894

Future mortgage payments consist of:	Principal	Interest	Total
2013	319	235	554
2014	342	212	554
2015	366	188	554
2016	391	163	554
2017	419	135	554
2018 and beyond	1,758	222	1,980
	3,595	1,155	4,750

Interest expense on the mortgage payable was $254 for the year (2011 - $275). The interest paid on the mortgage payable during the year was $256 (2011 - $275).

14 PENSION LIABILITIES

(a) Public Service Pension Plan

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective at year end was 1.74 (2011 - 1.86). Total contributions of $32,675 (2011 - $30,220) were recognized as expense in the current year.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

(b) Legislative Assembly Retiring Allowances Plans

The Government of Nunavut sponsors two defined benefit pension plans for Members of the Legislative Assembly (MLAs). Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's consolidated revenue fund. This plan came into effect during the 2001-02 fiscal year, and provides for benefits retroactive to April 1, 1999.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2012 (no changes in 2011).

Actuarial valuations were completed for these plans as of April 1, 2011. The valuations were based on a number of assumptions about future events including inflation rates (2.0%), interest rates (inflation, plus 2.8%), return on assets (inflation, plus 2.8%), increases in remuneration (inflation, plus 1%), and mortality. The assumptions used reflect the best estimates as approved by the Management and Services Board of the Legislative Assembly. The valuations were performed using the projected unit credit actuarial cost method. The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2014.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for at least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of: (a) age 60; (b) 30 years of service; or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

14 PENSION LIABILITIES (continued)

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows:

	LARAF	SRAF	2012	2011
Accrued benefit obligation	5,387	7,293	12,680	10,951
Deduct:				
Pension fund assets	5,372	-	5,372	4,795
Unamortized actuarial (gains) losses	258	222	480	(2)
	5,630	222	5,852	4,793
Pension (asset) liability	(243)	7,071	6,828	6,158

As at March 31, 2012, the LARAF pension fund assets had a market value of $5,448 (2011 - $4,923). The actual rate of return was positive 3.3% (2011 - 10.54%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 9).

LARAF and SRAF actuarial gains/losses are amortized over 1.8 years (2011 - 2.8 years) which is the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components:

	LARAF	SRAF	2012	2011
Current period benefit cost	717	980	1,697	1,529
Amortization of actuarial (gains) losses	225	43	268	7
	942	1,023	1,965	1,536
MLAs contributions	(178)	-	(178)	(188)
Pension expense	764	1,023	1,787	1,348
Interest cost on the average accrued benefit obligation	257	348	605	690
Expected return on average pension plan assets	(229)	-	(229)	(299)
Pension interest expense	28	348	376	391
Total pension expenses	792	1,371	2,163	1,739

Pension benefits paid for the LARAF and SRAF were $674 and $620, respectively (2011 - $114 and $617, respectively).

The Government's contributions related to the LARAF and SRAF during the year were $873 and $950, respectively (2011 - $441 and $906, respectively).

15 DEFERRED REVENUE AND CAPITAL CONTRIBUTIONS

	2012	2011 (Restated - Note 3)
Provincial-Territorial Base Funding (Building Canada Fund)	66,471	57,184
Gas Tax Agreement	21,310	17,713
Deferred capital contributions	76,336	72,798
Other deferred revenue	6,315	2,248
	170,432	149,943

16 PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund was created under the authority of the *Revolving Funds Act*. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold, and distributed by the Government. The net profit (loss) of the Petroleum Products Revolving Fund is charged to the Petroleum Products Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed $10,000.

	2012	2011
Surplus, beginning of year	10,000	9,246
Petroleum Products Revolving Fund net profit for the year	771	26,387
Minimum transfer required to Consolidated Revenue Fund	(771)	(25,633)
Surplus, end of year	10,000	10,000

17 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2012:

	Year of Expiration	Total
Capital commitments	2015	56,677
Operational commitments	2018	51,598
Policing agreement	2032	592,120
Operating leases (Schedule 6)	2027	46,101
		746,496

Contractual obligations by fiscal year are as follows:

2013	117,101
2014	61,584
2015	42,457
2016	36,808
2017	33,776
2018 and beyond	454,770
	746,496

In addition to the above, in fiscal 2011, as a result of a public request for proposal, the Government entered into contract arrangements for the supply of petroleum products for a five year term. Under the terms of this agreement, minimum fuel volumes purchases for the 2012 and 2013 re-supply seasons are as follows:

	2012	2013
	(thousands of litres)	
Diesel	14,934	15,382
Gasoline	2,410	2,483
Jet fuel	3,291	3,390
	20,635	21,255

18 CONTINGENCIES

(a) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can reasonably be estimated. As at March 31, 2012, no new post-division adjustments were recorded.

(b) Environmental restoration costs

The Government recognizes that there are costs related to the restoration of any contaminated sites situated on lands within the Territory. Liabilities have been accrued in the non-consolidated financial statements when it has been determined that the Government is liable for a contaminated site and where a reasonable estimate of the remediation costs can be made. The Government's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any additional liabilities will be accrued in the year in which they become known.

The Government will continue to implement a program of site inspection, assessment and remediation on an ongoing basis. To facilitate this, the Government has established a committee to ensure all existing and potential liabilities are identified and appropriate actions initiated. This is an ongoing process which should show continuous improvement each year as the Government continues to work in a practical manner towards the determination and appropriate recognition of its environmental liabilities within the Territory.

(c) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of any liability that may result from these actions is not determinable at this time; consequently no liability has been accrued.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. As of March 31, 2012, all of these claims have been assessed as being either without merit or not determinable at this time.

18 CONTINGENCIES (continued)

(d) Pay equity

There are a number of pay equity claims outstanding against the Government of Nunavut primarily for job rating evaluations of specific trades. The Government is working with Nunavut Employees Union in order to resolve the claims. However, the outcome of these claims is not currently known. As of March 31, 2012, no provision has been made in these financial statements.

(e) Loan guarantees

As part of its financing, the Qulliq Energy Corporation (QEC) has arranged various credit facilities at different terms and interest rates. The Government has guaranteed the following QEC credit facilities:

	2012	2011
Bank credit facility, interest at prime minus 0.5% (2.5%)	1,894	16,314
20 year redeemable amortizing debenture due 2021, interest rate of 6.809%	47,448	49,794
Floating rate capital loan facility drawn on April 30, 2007, interest rate at prime less 0.5%	-	4,200
Floating rate capital loan facility drawn on November 21, 2007, interest rate at prime less 0.5%	-	5,333
Floating rate capital loan facility drawn on July 25, 2010, interest rate at prime less 0.5%	-	7,400
Fixed rate capital loan facility due 2021, interest rate of 4.24%	3,799	-
Fixed rate capital loan facility due 2021, interest rate of 4.24%	4,846	-
Fixed rate capital loan facility due 2021, interest rate of 4.24%	6,799	-
Fixed rate capital loan facility due 2032, interest rate of 4.24%	4,775	-
Fixed rate capital loan facility due 2032, interest rate of 4.24%	12,285	-
Total guarantees provided on balances outstanding	81,846	83,041

The bank credit facility limit is $12,000 (2011 - $24,000). During the year, the capital loan facilities were converted from floating rate at prime less 0.5% to fixed rate at 4.24% with blended monthly payments.

Based on its operational needs, the Nunavut Development Corporation (NDC) may from time to time be in a bank overdraft position. The overdraft is guaranteed by the Government, and interest on the overdraft is charged based on a rate of prime plus 0.50% per annum. Interest is charged only when NDC's operating account is in an overdraft position and the pooled accounts of the Government are also in an overdraft position. As at March 31, 2012, NDC's bank overdraft position was $22 (2011 - $13).

19 RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year, the Government made grants and contributions to or funded other costs for the following related parties:

	2012	2011
Nunavut Arctic College	2,718	2,158
District Education Authorities	15,546	13,185
Qulliq Energy Corporation	11,350	23,364
Nunavut Development Corporation	3,979	3,440
Nunavut Business Credit Corporation	600	450
	34,193	42,597

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided include personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal, and interpretation services. Direct costs of $36,539 (2011 - $35,598) were incurred and recovered from related parties. Grants and contributions from the Government of Nunavut to Nunavut Arctic College and Nunavut Housing Corporation are disclosed separately in the Schedule of Expenses Funded under Approved Appropriations (Schedule B.1).

20 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2012	2011
Public Trustee	3,729	4,340
Victims' Assistance Trust	458	536
Natural Resources Conservation Trust	283	280
Millennium Scholarship Fund	8	8
Scholarship Fund	42	42
Territorial Court Trust	802	807
Maintenance Enforcement Trust	114	107
Baffin Correctional Centre Welfare Trust	9	-
Baffin Correctional Centre Inmate Trust	21	12
Young Offenders Welfare Trust	15	3
Young Offenders Trust	12	15
Sheriff's Imprest Account	10	10
Nunavut Labour Standards Board Trust	3	3
HSS - Akausisarvik	6	9
	5,512	6,172

21 BUDGET ADJUSTMENTS

The 2012 budget deficit of $29,681 is $5,795 lower than the budget deficit of $35,476 disclosed on page x of the 2011-2012 Main Estimates. The $5,795 represents principal repayments required during the year on capital leases that had been included in the operations and maintenance budgeted amounts. As principal repayments are not expenses, they have been removed from the operations and maintenance budget totals for financial statement reporting purposes.

The 2012 total revenue budget of $1,463,558 includes $1,374,478 of 'Revenues' and $71,985 of 'Vote 5 Revenues' on page x of the 2011-2012 Main Estimates, plus $17,095 of funding under third-party agreements for specific capital projects included in Appendix IV of the 2011-2012 Capital Estimates. The planned expenses to be funded by these additional revenues have been added to the affected budget totals disclosed in these statements.

22 PREPAID EXPENSES

The 2011 balance included $9,629 of 2011-12 funding for municipalities that was advanced on March 31, 2011. This was one day prior to the effective date (i.e., April 1, 2011) of the statutory spending authority for the 2011-12 expenditure appropriations. These prepaid expenses were charged as grants and contributions during the 2011-12 year.

23 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule A

Non-Consolidated Schedule of Revenues by Source (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

	2012 Budget	2012 Actual	2011 Actual
From the Government of Canada			
Territorial Formula Financing Agreement	1,175,300	1,175,255	1,090,553
Transfers under third-party funding agreements	89,080	107,677	112,439
Other transfer payments	82,700	76,297	74,608
	1,347,080	1,359,229	1,277,600
Revenues generated by the Government of Nunavut			
Taxation revenues			
Personal income tax	17,000	25,177	19,816
Corporate income tax	7,500	7,530	9,034
Payroll tax	20,300	22,017	19,803
Tobacco tax	12,700	13,860	13,058
Fuel tax	3,100	5,027	5,924
Property tax	1,700	2,742	2,019
Insurance tax	700	1,410	1,018
	63,000	77,763	70,672
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of $177,768 (2011 - $139,104)	14,173	23,468	45,627
Liquor revenue - net of cost of goods sold of $2,916 (2011 - $2,670)	4,405	3,549	3,668
Staff housing recoveries	15,000	16,767	16,224
Transfers under third-party funding agreements	-	3,825	3,712
Other	19,900	17,386	15,696
	53,478	64,995	84,927
Recoveries of prior years expenditures (Schedule 1)	-	11,090	10,818
Total revenues (Note 21)	**1,463,558**	**1,513,077**	**1,444,017**

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Schedule of Expenses (unaudited)
for the year ended March 31, 2012
(in thousands of dollars)

Schedule B

TOTALS	Original Budget	Actual	(Over) Under Original Budget
FUNDED UNDER APPROVED APPROPRIATIONS (Schedule B.1)			
Operations and maintenance expenses before amortization	1,188,602	1,196,210	(7,608)
Plus: Amortization expenses on tangible capital assets	44,769	45,440	(671)
Total operations and maintenance expenses	1,233,371	1,241,650	(8,279)
Capital expenditures	122,476	128,429	(5,953)
Less: Transfers to tangible capital assets	103,057	48,883	54,174
Total capital expenses	19,419	79,546	(60,127)
Total appropriation expenses	1,252,790	1,321,196	(68,406)
FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)			
Operations and maintenance expenses before amortization	71,985	105,835	(33,850)
Plus: Amortization expenses on tangible capital assets	-	5,667	(5,667)
Total operations and maintenance expenses	71,985	111,502	(39,517)
Capital expenditures	17,095	9,205	7,890
Less: Transfers to tangible capital assets	-	9,205	(9,205)
Total capital expenses	17,095	-	17,095
Total third-party agreement expenses	89,080	111,502	(22,422)
FUNDED BY REVOLVING FUNDS (Schedule B.3)			
Operations and maintenance expenses before amortization	23,969	25,467	(1,498)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	23,969	25,467	(1,498)
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	23,969	25,467	(1,498)
NON-CONSOLIDATED STATEMENTS TOTALS			
Operations and maintenance expenses before amortization	1,284,556	1,327,512	
Plus: Centrally estimated 'Supplementary Requirements' per page x of 2011-2012 Main Estimates	89,000	-	
Less: Capital portion of the estimated 'Supplementary Requirements'	40,600	-	
Total operations and maintenance expenses before amortization	1,332,956	1,327,512	5,444
Plus: Amortization expenses on tangible capital assets	44,769	51,107	(6,338)
Total operations and maintenance expenses	1,377,725	1,378,619	(894)
Capital expenditures	139,571	137,634	
Plus: Centrally estimated capital carryovers from prior year included in 'Capital' on page x of 2011-2012 Main Estimates	38,400	-	
Plus: Capital portion of the estimated 'Supplementary Requirements'	40,600	-	
Total capital expenditures	218,571	137,634	80,937
Less: Transfers to tangible capital assets	103,057	58,088	44,969
Total capital expenses	115,514	79,546	35,968
Total expenses	**1,493,239**	**1,458,165**	**35,074**

Total expenses above includes, among other items, interest expense of $5,056 (2011 - $5,486) and a net increase in valuation allowances of $1,127 (2011 - $293 net increase).

GOVERNMENT OF NUNAVUT **Schedule B.1**

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
LEGISLATIVE ASSEMBLY						
Operations and maintenance						
Compensation and benefits	8,817	-	(165)	8,652	7,767	885
Grants and contributions	-	-	-	-	-	-
Other	8,118	-	165	8,283	7,990	293
	16,935	-	-	16,935	15,757	1,178
Capital expenditures	992	1,683	-	2,675	293	2,382
Total spending under appropriations	17,927	1,683	-	19,610	16,050	3,560
EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS						
Operations and maintenance						
Compensation and benefits	14,109	(177)	-	13,932	11,170	2,762
Grants and contributions	500	-	-	500	516	(16)
Other	5,411	-	-	5,411	5,068	343
	20,020	(177)	-	19,843	16,754	3,089
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	20,020	(177)	-	19,843	16,754	3,089
FINANCE						
Operations and maintenance						
Compensation and benefits	23,249	-	-	23,249	21,493	1,756
Grants and contributions	7,400	3,526	-	10,926	11,398	(472)
Other	30,698	-	-	30,698	31,973	(1,275)
	61,347	3,526	-	64,873	64,864	9
Capital expenditures	100	2,601	-	2,701	358	2,343
Total spending under appropriations	61,447	6,127	-	67,574	65,222	2,352
HUMAN RESOURCES						
Operations and maintenance						
Compensation and benefits	17,504	-	-	17,504	13,211	4,293
Grants and contributions	-	-	-	-	-	-
Other	6,616	-	-	6,616	4,609	2,007
	24,120	-	-	24,120	17,820	6,300
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	24,120	-	-	24,120	17,820	6,300
JUSTICE						
Operations and maintenance						
Compensation and benefits	33,792	-	(1,297)	32,495	31,042	1,453
Grants and contributions	11,405	-	-	11,405	11,175	230
Other	43,190	2,289	1,297	46,776	42,455	4,321
	88,387	2,289	-	90,676	84,672	6,004
Capital expenditures	3,450	11,128	-	14,578	10,007	4,571
Total spending under appropriations	91,837	13,417	-	105,254	94,679	10,575

GOVERNMENT OF NUNAVUT **Schedule B.1**

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
CULTURE, LANGUAGE, ELDERS AND YOUTH						
Operations and maintenance						
Compensation and benefits	12,187	-	(814)	11,373	10,116	1,257
Grants and contributions	7,642	-	325	7,967	7,196	771
Other	8,063	-	489	8,552	6,675	1,877
	27,892	-	-	27,892	23,987	3,905
Capital expenditures	7,060	(6,162)	-	898	653	245
Total spending under appropriations	34,952	(6,162)	-	28,790	24,640	4,150
EDUCATION						
Operations and maintenance						
Compensation and benefits	134,147	5,454	118	139,719	138,799	920
Grants and contributions	69,251	492	(123)	69,620	68,385	1,235
Other	21,367	-	5	21,372	15,578	5,794
	224,765	5,946	-	230,711	222,762	7,949
Capital expenditures	10,152	3,911	-	14,063	7,310	6,753
Total spending under appropriations	234,917	9,857	-	244,774	230,072	14,702
HEALTH AND SOCIAL SERVICES						
Operations and maintenance						
Compensation and benefits	105,747	3,165	-	108,912	107,165	1,747
Grants and contributions	7,175	-	-	7,175	5,934	1,241
Other	184,066	23,727	-	207,793	205,397	2,396
	296,988	26,892	-	323,880	318,496	5,384
Capital expenditures	34,861	3,472	-	38,333	14,319	24,014
Total spending under appropriations	331,849	30,364	-	362,213	332,815	29,398
ENVIRONMENT						
Operations and maintenance						
Compensation and benefits	14,050	-	(1,153)	12,897	12,886	11
Grants and contributions	1,893	1,330	260	3,483	3,249	234
Other	6,335	300	893	7,528	7,096	432
	22,278	1,630	-	23,908	23,231	677
Capital expenditures	4,020	1,136	-	5,156	1,627	3,529
Total spending under appropriations	26,298	2,766	-	29,064	24,858	4,206
COMMUNITY AND GOVERNMENT SERVICES						
Operations and maintenance						
Compensation and benefits	36,249	-	(4,600)	31,649	34,370	(2,721)
Grants and contributions	60,357	985	143	61,485	60,223	1,262
Other	88,092	2,401	4,457	94,950	93,081	1,869
	184,698	3,386	-	188,084	187,674	410
Capital expenditures	34,022	50,505	-	84,527	38,373	46,154
Total spending under appropriations	218,720	53,891	-	272,611	226,047	46,564

GOVERNMENT OF NUNAVUT **Schedule B.1**

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
ECONOMIC DEVELOPMENT AND TRANSPORTATION						
Operations and maintenance						
Compensation and benefits	16,202	150	(1,180)	15,172	15,031	141
Grants and contributions	20,809	260	-	21,069	19,127	1,942
Other	21,344	446	1,180	22,970	20,784	2,186
	58,355	856	-	59,211	54,942	4,269
Capital expenditures	3,925	15,081	-	19,006	7,595	11,411
Total spending under appropriations	62,280	15,937	-	78,217	62,537	15,680
NUNAVUT HOUSING CORPORATION						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	143,759	3,284	-	147,043	147,043	-
Other	-	-	-	-	-	-
	143,759	3,284	-	147,043	147,043	-
Capital expenditures	23,894	24,000	-	47,894	47,894	-
Total spending under appropriations	167,653	27,284	-	194,937	194,937	-
NUNAVUT ARCTIC COLLEGE						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	24,853	(850)	-	24,003	24,003	-
Other	-	-	-	-	-	-
	24,853	(850)	-	24,003	24,003	-
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	24,853	(850)	-	24,003	24,003	-
TOTALS						
Operations and maintenance						
Compensation and benefits	416,053	8,592	(9,091)	415,554	403,050	12,504
Grants and contributions	355,044	9,027	605	364,676	358,249	6,427
Other	423,300	29,163	8,486	460,949	440,706	20,243
	1,194,397	46,782	-	1,241,179	1,202,005	39,174
Less: Principal repayments on capital leases included in spending appropriations above	5,795	-	-	5,795	5,795	-
Operations and maintenance expenses before amortization	1,188,602	46,782	-	1,235,384	1,196,210	39,174
Plus: Amortization expenses on tangible capital assets	44,769	-	-	44,769	45,440	(671)
Total operations and maintenance expenses	1,233,371	46,782	-	1,280,153	1,241,650	38,503
Capital expenditures	122,476	107,355	-	229,831	128,429	101,402
Less: Transfers to tangible capital assets	103,057	-	-	103,057	48,883	54,174
Total capital expenses	19,419	107,355	-	126,774	79,546	47,228
Total appropriation expenses	**1,252,790**	**154,137**	-	**1,406,927**	**1,321,196**	**85,731**

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule B.2

Non-Consolidated Schedule of Expenses Funded under Third-Party Agreements (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

By Department	Original Budget	Actual	(Over) Under Original Budget
Legislative Assembly	-	1	(1)
Executive and Intergovernmental Affairs	3,364	577	2,787
Finance	2,500	3,944	(1,444)
Human Resources	-	-	-
Justice	385	2,472	(2,087)
Culture, Language, Elders and Youth	2,550	3,163	(613)
Education	9,125	6,040	3,085
Health and Social Services	45,014	52,073	(7,059)
Environment	545	2,871	(2,326)
Community and Government Services	17,850	29,798	(11,948)
Economic Development and Transportation	7,747	10,563	(2,816)
Nunavut Housing Corporation	-	-	-
Nunavut Arctic College	-	-	-
	89,080	111,502	(22,422)

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	-	15,801	-
Grants and contributions	-	38,436	-
Other	-	51,598	-
Operations and maintenance expenses before amortization	71,985	105,835	(33,850)
Plus: Amortization expenses on tangible capital assets	-	5,667	(5,667)
Total operations and maintenance expenses	71,985	111,502	(39,517)
Capital expenditures	17,095	9,205	7,890
Less: Transfers to tangible capital assets	-	9,205	(9,205)
Total capital expenses	17,095	-	17,095
Total third-party agreement expenses	89,080	111,502	(22,422)

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule B.3

Non-Consolidated Schedule of Expenses Funded by Revolving Funds (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

By Revolving Fund	Original Budget	Actual	(Over) Under Original Budget
Liquor	2,229	2,340	(111)
Petroleum Products	21,740	21,756	(16)
Public Stores (1)	-	1,105	(1,105)
Student Loan (2)	-	266	(266)
	23,969	25,467	(1,498)

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	4,685	5,036	(351)
Grants and contributions	-	-	-
Other expenses	19,284	20,431	(1,147)
Operations and maintenance expenses before amortization	23,969	25,467	(1,498)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	23,969	25,467	(1,498)
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	23,969	25,467	(1,498)

(1) The Public Stores budget of $840 was included in the Department of Community and Government Services on Schedule B.1 as per the tabled Main Estimates.

(2) The Student Loan Fund budget of $252 was included in the Department of Education on Schedule B.1 as per the tabled Main Estimates.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule C

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

	Buildings	Leased Buildings	Infra-structure	Tank Farms	Storage Facilities	Equipment	2012	2011
Cost of tangible capital assets								
Opening balance	773,512	114,873	150,600	151,074	30,998	49,862	1,270,919	1,067,843
Additions	4,034	-	5,305	2,700	-	13,947	25,986	7,510
Transferred from work in progress	28,555	-	2,575	-	-	19,262	50,392	195,566
Closing balance	806,101	114,873	158,480	153,774	30,998	83,071	1,347,297	1,270,919
Accumulated amortization								
Opening balance	(188,004)	(41,083)	(43,269)	(45,088)	(12,816)	(35,873)	(366,133)	(321,425)
Amortization	(26,795)	(3,829)	(5,063)	(5,126)	(978)	(9,316)	(51,107)	(44,708)
Closing balance	(214,799)	(44,912)	(48,332)	(50,214)	(13,794)	(45,189)	(417,240)	(366,133)
Work in progress								
Opening balance	62,709	-	5,127	-	4	19,474	87,314	195,012
Additions	25,923	-	4,620	160	-	1,399	32,102	87,868
Transferred to cost of tangible capital assets	(28,555)	-	(2,575)	-	-	(19,262)	(50,392)	(195,566)
Closing balance	60,077	-	7,172	160	4	1,611	69,024	87,314
Net book value	651,379	69,961	117,320	103,720	17,208	39,493	999,081	992,100
Estimated useful life	**30 Years**	**30 Years**	**30 Years**	**30 Years**	**30 Years**	**5-30 Years**		

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule 1

Non-Consolidated Schedule of Recoveries of Prior Years Expenditures (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

Department	Over Accruals	Other Recoveries	Total
Legislative Assembly	161	-	161
Executive and Intergovernmental Affairs	12	-	12
Finance	1,023	54	1,077
Human Resources	254	10	264
Justice	2	208	210
Culture, Language, Elders and Youth	-	87	87
Education	1,255	811	2,066
Health and Social Services	3,576	1,658	5,234
Environment	-	156	156
Community and Government Services	835	265	1,100
Economic Development and Transportation	723	-	723
	7,841	3,249	11,090

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule 2

Non-Consolidated Schedule of Special Warrants (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

	Date of FMB Approval	Amount Authorized
OPERATIONS AND MAINTENANCE		
There were no Special Warrants during the year.		
Total operations and maintenance		-
	Date of FMB Approval	**Amount Authorized**
CAPITAL		
To provide funding for the Arviat Emergency Water Supply Project	April 11, 2011	3,000
Total capital		3,000

Non-Consolidated Schedule of Inter-Activity Transfers Over $250,000 (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

	Transfer to (from)	
OPERATIONS AND MAINTENANCE		
Legislative Assembly		
Members	325	Transfer funds
Assembly Operations	(325)	
Finance		
Directorate	(48)	
Comptrollership	(300)	Transfer funds
Financial Management	(400)	
Centrally Administered Funds	748	
Human Resources		
Training and Development	(600)	Transfer funds
Staffing	600	
Community and Government Services		
Community Support	(960)	
Safety and Protective Services	(230)	
Directorate	(457)	Transfer funds
Government Services	1,554	
Capital Planning and Technical Services	93	
Directorate	(332)	Transfer funds
Community Support	332	
Economic Development and Transportation		
Community Economic Development	150	
Transportation	250	Transfer funds
Corporate Management	(400)	
CAPITAL		
Community and Government Services		
Capital	500	Capital budget adjustment
Petroleum Products Division	(500)	
Capital	2,575	Capital budget adjustment
Petroleum Products Division	(2,575)	
Culture, Language, Elders and Youth		
Directorate	520	Capital budget adjustment
Heritage	(520)	

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule 4

Non-Consolidated Schedule of Debenture Loans Receivable from Municipalities (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

	Original Amount	Balance April 1, 2011	Accrued Interest	Valuation Adjustment	Principal Payments	Balance March 31, 2012
City of Iqaluit	3,898	6	-	-	(6)	-
	3,898	6	-	-	(6)	-

Non-Consolidated Schedule of Student Loan Remissions (unaudited)

for the year ended March 31, 2012

Under the *Student Financial Assistance Regulations,* the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic and the employment or residency criteria, have qualified and been granted remission of their loans. Under subsection 26(1) of the *Financial Administration Act* any remissions or write-offs over $500 must be disclosed in the Public Accounts.

Bodner, Jenine	1,519
D'Arcy, Shannon	995
Healey, Colleen	2,836
	5,350

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule 6

Non-Consolidated Schedule of Contractual Obligations under Operating Leases (unaudited)

for the year ended March 31, 2012

(in thousands of dollars)

	2013	2014	2015	2016	2017	>2017	Total
Headquarters	5,521	3,623	2,438	2,295	1,857	6,437	22,171
Qikiqtaaluk	911	758	744	703	427	956	4,499
Kivalliq	3,866	3,149	2,174	1,787	987	450	12,413
Kitikmeot	1,397	1,217	757	507	347	2,793	7,018
	11,695	8,747	6,113	5,292	3,618	10,636	46,101